



**Human Services Committee  
Written Testimony of Brian O'Shaughnessy in Favor of HB 6763  
An Act Concerning Social Innovation**

My name is Brian O'Shaughnessy and I provide consulting services through my firm Community Impact Strategies, Ltd. I submit this testimony in favor of raised bill 6763, An Act Concerning Social Innovation.

I have been involved in the effort to bring social financing to Connecticut for over three years and have written extensively about the concept.

Whether labeled social impact bonds, pay-for-success or social innovation financing -- as with the present legislation -- the concept is the same: define and deliver a preventive social service, measure whether the desired result has been achieved and calculate the positive financial impact derived from avoiding expensive programming and facilitating economic productivity.

The powerful core concept inherent in social innovation financing is that the state benefits financially when people live more productive lives.

This bill represents the spirit and mindset of an expanding group of bi-partisan and national stakeholders. As our state struggles with avoiding habitual budget deficits, we should embrace the concept that successful preventive social services avoid a wide variety of very expensive government interventions. In so doing, they improve lives and save taxpayers money.

On the federal level, social impact bond financing has received a remarkable amount of bi-partisan support. The most recently proposed budget from the Obama administration is laden with many social financing concepts. States that promote social services that are measured for effectiveness and financial impact will continue to be favored.

There has been a good deal of resistance to this statute in the past because of misconceptions that the transactions are some form of privatization, or that possibly Wall Street could benefit. The resistance is unfortunate and does not see the forest through the trees.

Social innovation financing is about improving lives and saving the state money in the process.

To achieve the goals of a specific transaction requires skills that will hopefully set an example for future government operations. Specifically,

1. The delivery of a social service with the articulation of a specific goal,
2. A priority in funding preventive social services,
3. Financial analysis of the long term benefit that accrues to the state when we avoid an expensive government intervention,
4. The cooperation of a variety of government agencies and service providers with the goal of delivering the best possible service, and
5. The usage of the newly available wealth of public data to accomplish all of the foregoing.

I would ask the Committee to view this legislation through a wide lens and to perceive the benefits as not being limited to finding money for one worthy nonprofit or program, but more as an example that when people live better lives the state benefits financially.

Thank you.

Brian O'Shaughnessy